REMARKS

In reply to the Office Action dated October 21, 2005, Applicant has cancelled claims 2-8 and 10-15 as being directed to a non-elected invention, and amended claims 1, 62, 76, 83, and 90 to clarify the claimed invention. As a result of this Amendment, claims 1, 62-72, and 74-96 are currently pending. Upon allowance of a generic claim, Applicant respectfully requests rejoinder and allowance of the remaining species claims.

On page 2 of the Office Action, the Examiner rejected claims 1, 76, 83-85, and 90-92 under 35 U.S.C. § 112, second paragraph, based on indefiniteness grounds. Specifically, the Examiner contains that the terms "market value" and "discounted product" renders the claims indefinite.

Applicant disagrees. Generally, the standard under 35 U.S.C. § 112, second paragraph, is whether the claims, when read in light of the specification, reasonably apprize those skilled in art of the scope of the claimed invention. *See, e.g., Miles Labs., Inc. v. Shandon*, 997 F.2d 870, 875 (Fed. Cir. 1993). One of ordinary skill in the art would readily recognize that the term "market value" refers to "the amount that a seller may expect to obtain for merchandise, services, or securities in the open market." THE AMERICAN HERITAGE COLLEGE DICTIONARY 831 (3d ed. 1997); *id.* at 956 (defining "open market" as a "freely competitive market operating without restrictions"). Similarly, one of ordinary skill in the art would readily understand that the term "discounted" means "to "sell at a reduced price." *id.* at 396.

Although the claims comport with the standard of definiteness required by 35 U.S.C. § 112, second paragraph, Applicant has amended claims 1, 76, 83, and 90 to obviate the Examiner's concerns. For instance, Applicant has replaced the phrase "a

market value of the offered produce or service" in amended independent claim 1 with the phrase --a current value of the offered product or service in a competitive market--. Applicant also has deleted the term "discounted" from the claims. Accordingly, each of the claims, as amended, reasonably apprize those skilled in the art as to the scope of the claimed invention, as required by 35 U.S.C. § 112, second paragraph.

As discussed on pages 3-7, ¶ 5, of the Office Action, the Examiner rejected claims 1, 62, 65, 68, 69, and 90 under 35 U.S.C. § 103(a) as being unpatentable over by Odom et al. (U.S. Patent No. 6,058,379) in view of Tuck et al. (U.S. Patent No. 6,115,698). Moreover, according to the rationale discussed on pages 7-11, ¶ 6, of the Office Action, the Examiner rejected claims 74-82 under 35 U.S.C. § 103(a) as being unpatentable over Odom et al. in view of Tuck et al., and further in view of Conklin et al. (U.S. Patent No. 6,141,653). Finally, as set forth on pages 11-13, ¶ 7, of the Office Action, the Examiner rejected claims 66, 67, 83-85, 91, and 92 under 35 U.S.C. § 103(a) as being unpatentable over Odom et al. in view of Tuck et al. and further in view of Smith (U.S. Patent No. 6,502,076).

The applied references, however, fail to render the claimed invention unpatentable. Each of the claims recite specific combinations of features that distinguish the invention from the prior art in different ways. For example, independent claim 1 recites a combination that includes, among other things:

> randomly generating an offer to purchase a product or service on the electronic network system at an offer price that is substantially equal to a delivery price associated with sending the offered product or service to the buyer, the delivery price being less than a current value of the offered product or service in a competitive market,

(amended claim 1, ll. 3-7). Independent claim 62 recites another combination that includes, for example,

> randomly displaying at least one offer to accept a product or service at an offer price substantially equal to a delivery price of the offered product or service to one or more potential recipients on the electronic network system at an unknown start time, the delivery price being substantially less than a current value of the offered product or service in a competitive marketplace,

(claim 62, ll. 3-7). Independent claim 83 recites yet another combination that includes, *inter alia*,

> providing a random frequency device for randomly displaying an offer to one or more potential recipients on the electronic network system to accept a product or service at a price substantially equal to zero, the randomly displayed offer having an unpredictable start time,

(claim 83, ll. 3-7). Finally, independent claim 90 recites a combination of that includes, for instance,

> a step for randomly displaying an offer to one or more potential recipients on the electronic network system to accept a product or service at a price substantially equal to zero plus a cost associated with shipping of the product or service to the buyer, the randomly displayed offer having an unpredictable start time,

(claim 90, ll. 3-7). At the very least, Odom et al., Tuck et al., Conklin et al., and Smith fail to disclose or suggest any of these exemplary features recited in the independent claims.

The Examiner has failed to establish a *prima facie* case of obviousness for at least four reasons. First, the Examiner has not demonstrated that Odom et al., Tuck et al., Conklin et al., or Smith, taken alone or in combination, discloses or suggests each and every feature recited in the claims. *See* M.P.E.P. § 2143 (7th ed. 1998). Second, the Examiner neglected to show the existence of any reasonable probability of success in modifying the applied references to somehow result in the claimed invention. *See id.* Third, the Examiner has not identified any suggestion or motivation, either in the teachings of the applied references themselves or in the knowledge generally available

to one of ordinary skill in the art, to modify the Odom et al. system in a manner that could somehow result in the claimed invention. *See id.* Finally, the Examiner has not explained how his obviousness rationale could be found in the prior art — rather than a hindsight reconstruction of Applicant's own disclosure. *See id.*

As discussed in the Amendment filed on January 4, 2005, Odom et al. discloses a real-time network exchange that allows buyers to electronically and competitively bid on goods and services to reach a market price for purchasing the good or service and allows the seller to interactively participate in the competitive bidding process. *See, e.g.,* Abstract. Odom et al., however, fails to provide any disclosure whatsoever of the following features of independent claims 1, 62, 83, and 90:

- "randomly generating an offer to purchase a product or service on the electronic network system at an offer price that is substantially equal to a delivery price associated with sending the offered product or service to the buyer, the delivery price being less than a current value of the offered product or service in a competitive market," as recited in independent claim 1;

- "randomly displaying at least one offer to accept a product or service at an offer price substantially equal to a delivery price of the offered product or service to one or more potential recipients on the electronic network system at an unknown start time, the delivery price being substantially less than a current value of the offered product or service in a competitive marketplace," as recited more particularly in independent claim 62;

- "providing a random frequency device for randomly displaying an offer to one or more potential recipients on the electronic network system to accept a product or service at a price substantially equal to zero, the randomly displayed offer having an unpredictable start time," as recited more particularly in independent claim 83; and

- "a step for randomly displaying an offer to one or more potential recipients on the electronic network system to accept a product or service at a price substantially equal to zero plus a cost associated with shipping of the product or service to the buyer, the randomly displayed offer having an unpredictable start time," as more particularly recited in independent claim 90.

Instead, Odom et al. teaches away from the claimed invention by disclosing the use of a competitive bidding process for offering products or services for sale at the highest possible market value. For instance, Odom et al. discloses that:

> The potential purchaser may make a bid on an item that is currently being viewed and the information is processed in step 220. Once bid is selected, the client may be provided with the current highest bid for the item, and a window entering the required information for making a bid. In order to be accepted, the bid must meet certain criteria. For example, the bid must be higher than the current highest bid . . . In another embodiment of the invention, bids are not transmitted to the host if they are irrelevant. Irrelevant bids may be bids that are less than the current 'best' bid.

Col. 6, ll. 21-48 (emphasis added). As a result, Odom et al. cannot anticipate or render obvious independent claims 1, 62, 83, and 90, as required by 35 U.S.C. § 103(a).

Moreover, Tuck et al. fails to overcome the shortcomings of Odom et al. Tuck et al. discloses an apparatus and system for trading electric energy. *See* Abstract. Tuck et al., however, fails to disclose or suggest an "an offer price that is substantially equal to a delivery price associated with sending the offered product or service to the buyer, the delivery price being less than a current value of the offered product or service in a competitive market," as recited in independent claim 1. Nor does Tuck et al. disclose or suggest a delivery price that is "substantially less than a current value of the offered product or service in a competitive marketplace," as recited more particularly in independent claim 62. Tuck et al. also fails to disclose or suggest an offer "to accept a product or service at a price substantially equal to zero," as recited in independent claims 83 and 90. Finally, Tuck et al. fails to provide any disclosure whatsoever of an offer "to accept a product or service at a price substantially equal to zero plus a cost associated with shipping of the product or service to the buyer," as recited in independent claim 90.

By contrast, Tuck et al. teaches away from the claimed invention. For instance, Tuck et al. discloses the use of an automated trading system for permitting a utility to view and purchase energy at current or real-time market prices. As Tuck et al. explains:

> A need exists for a system which creates substantial efficiency gains by automating this trading process over the current method of using the phone. This method of trading energy should allow utilities to simultaneously view ***real-time market prices*** and to quickly consummate the best opportunities.

Col. 2, ll. 4-9 (emphasis added). Tuck et al., whether taken alone or in combination, thus cannot render independent claims 1, 62, 83, and 90 unpatentable under 35 U.S.C. § 103(a).

Conklin et al. and Smith also fails to remedy the deficiencies of Odom et al. For example, the Examiner relies upon Conklin et al. to allegedly disclose the existence of "the steps of iteratively negotiating multiple variables, documenting the transaction, providing payment options and transferring the payment amount online." Outstanding Office Action at 8. And the Examiner relies upon Smith solely to purportedly disclose the use of a "random frequency device." *Id.* at 13. Modifying the teachings of Odom et al. and/or Tuck et al. with the teachings of Conklin et al. and/or Smith thus cannot overcome the shortcomings of Odom et al. discussed above.

For the foregoing reasons, the applied references all fail to disclose or suggest each and every element recited in independent claims 1, 62, 83, and 90. Moreover, claims 63-72, 74-82, 84-89, and 91-96, which each depend upon the independent claims, respectively, recite additional limitations that are neither disclosed nor suggested by any of the cited references, taken either alone or in combination. Thus, the dependent claims are allowable for at least the same reasons discussed above with respect to independent claims 1, 62, 83, and 90.

In view of the foregoing amendments and remarks, Applicant respectfully requests reconsideration and reexamination of this application and the timely allowance of all the pending claims 1, 62-72, and 74-96. Should it be necessary to resolve any additional concerns and expedite the issuance of a Notice of Allowance, the Examiner is invited to contact Applicant's representative at (202) 408-6052.

Please grant any extension of time to the extent required to enter this response and charge any fees required to our Deposit Account No. 06-0916.

Respectfully submitted,

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